

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

PENSION COMMITTEE

MONDAY, FEBRUARY 7, 2011

AT 3:00 P.M.

IN THE MARY BRENNAN BOARD ROOM

AT T. F. GREEN AIRPORT

2000 POST ROAD, WARWICK, RHODE ISLAND

The meeting of the Rhode Island Airport Corporation (“Corporation”) Pension Committee was called to order by Chair, Kathleen C. Hittner, M.D. at 3:00 p.m., in the Mary Brennan Board Room, T. F. Green Airport, 2000 Post Road, Warwick, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.

COMMITTEE MEMBERS PRESENT: Kathleen C. Hittner, M.D, Chair of Committee; Kevin A. Dillon, A.A.E., President and CEO; Jeffrey Wiggin, representing, Local 2873.

ALSO PRESENT: Peter A. Frazier, General Counsel; Bruce Wilde, Vice President Terminal and Landside Services; Sherri-Ann Penta, Acting Human Resources Director; and those individuals listed on the attendance sheet attached hereto.

1. Approval of the Minutes:

A motion was made by Mr. Wiggin and seconded by Mr. Dillon to approve the Minutes of the Pension Committee Meeting of November 12, 2010. The motion was passed unanimously.

2. Update by Chief Human Resources Officer and Plan Administrator.

Ms. Penta reported that at the last meeting the Committee had voted to add several provisions to the Principal plan. The Retire View product has been implemented and is now part of Principal's portfolio. The focus will now be on developing educational tools for the employees. Ms. Penta reported that the addition of the loan provisions to RIAC's current 457 plans is in process.

Ms. Penta reported that there are some modifications that need to be made to the Retire Secure product before it can be added to the Principal Plan. There was discussion related to pre tax and post tax contributions and whether it was feasible for RIAC to re-structure its 457 plan offerings. Discussion included a proposal to add a 457 option to Principal's portfolio. This could potentially be coupled with a Roth account. Discussion focused on the taxable benefits of adding these options to the Principal portfolio. There was also discussion on delaying the implementation of the Retire Secure product until a decision was made on the addition of a Principal 457 account as they would be designed to work together. Mr. Walter, representing Principal, gave an overview of both Principal's Retire Secure product and its 457 product noting that the focus would be to

offer advice and customize an overall retirement plan for the employee, which would include life insurance, retirement funds, and debt management.

There was general discussion of the fee structure related to 457 accounts. As a result of discussions, further research is required on 457 plan options. A meeting will be convened at a later date to discuss the options.

The order of items was reversed on the agenda.

(a) Consideration of and Action Upon Adoption of an Investment Policy Statement.

Mr. Frazier gave an overview of the proposed policy. The policy will provide guidelines for the frequency and subject matter for meetings, provide parameters for the Committee to evaluate fund options in the plan, and set investment objectives and guidelines. It was noted that this policy will be utilized for all future investment review meetings.

A motion was made by Mr. Dillon and seconded by Mr. Wiggin to approve the Investment Policy Statement in substantially the form presented to the Committee, subject to Board approval. The motion was passed unanimously.

(b) Consideration of and Action Upon Authorizing the Plan

Administrator to Implement Recommended Fund Changes.

There was discussion of recommended changes in the investment offerings for RIAC's 414(h) plan with Principal Financial Group. Discussion focused on the market fluctuations in the individual accounts, and the rationale used for making the changes. There was also discussion on the process that will be used to notify employees of the changes.

Following are the recommended Investment changes:

1. Merge Neuberger Berman Partners Trust Fund into Neuberger Berman Guardian Trust Fund.

- Due to percentile rankings for 1, 3 and 5 year periods as of 9/30/10. Both are Large Cap Value funds duplicating the category with the same fund group.**

2. Merge American Century Vista A Fund into Franklin Small Midcap Growth Fund A.

- Due to percentile ranking for 1, 3, 5 and 10 year periods as of 9/30/10.**

3. Merge Fidelity Advisor Growth Opportunities T Fund to the American Century Growth A Fund.

- Fidelity Advisor Growth Opportunities is a one star Morningstar fund as of 9/30/10 and due to percentile rankings for 3 and 5 year**

periods as of 9/30/10.

4. Merge the Sentinel Sustainable Growth Opportunities A Fund to the Franklin Small Midcap Growth Fund.

- Due to percentile rankings for 3 and 5 year periods as of 9/30/10.**

5. Replace the George Putnam Balanced A Fund with the SAM Balanced R4 Portfolio.

- George Putnam Balanced A Fund is a one star Morningstar fund as of 9/30/10 and due to percentile rankings for 3, 5 and 10 year periods as of 9/30/10.**

6. Add Large Cap Growth/R4 Fund.

- Managed by T. Rowe Price/Brown, to complement American Funds Growth Fund of America.**

A motion was made by Mr. Wiggin and seconded by Mr. Dillon to approve the investment option changes as presented, subject to Board approval. The motion was passed unanimously.

3. Future Meetings:

The next meeting will be announced.

4. Adjournment:

At approximately 4:15 p.m. a motion was made by Mr. Wiggin and seconded by Mr. Dillon to adjourn the meeting. The motion was passed unanimously.

Respectfully submitted,

**Kathleen C. Hittner, M.D, Chair Rhode Island Airport Corporation
Pension Committee**

**ATTENDANCE SHEET
RHODE ISLAND AIRPORT CORPORATION
PENSION COMMITTEE MEETING
MONDAY, FEBRUARY 7, 2011**

NAME AFFILIATION

Robert Walter Principal

Michael Balasco Meridian Financial

